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E-Services Soothe Corruption Fears

Albania's revamped tax, procurement, and registration procedures are boosting foreign firms' confidence in the country.



Photo: MCC Albania Threshold Agreement

Viola Puçi of Albinvest is finding it easier to convince foreign businesses to come to Albania. Since the National Registration Center opened in September 2007, 31 foreign companies have registered branches in Albania. The two-year \$13.85 million Millennium Challenge Albania Threshold Agreement between the Government of Albania (GoA) and MCC, administered by USAID, assists the GoA to reform and modernize tax administration, public procurement, and business registration processes through IT solutions and legislative enhancements.

Viola Puçi grew up in Canada but has returned to her native Albania to put her classroom knowledge of “how reforms can change a country” into action. She works with Albinvest, a governmental organization that promotes foreign investment in Albania. These days, her job is being made easier by e-government reforms implemented by the Albanian government and USAID under the Millennium Challenge Albania Threshold Agreement Project, which are creating the kind of positive economic changes she studied in school.

According to Puçi, one of the challenges she often faces when speaking with businesses thinking about entering Albania is fear of corruption. However, with the arrival of Albania's new e-government services — e-filing of all major business taxes, e-procurement for some government contracts, and a one-stop shop for business registration with additional online services — she is finding it easier to put foreign businesses' fears to rest.

“One of the first things businesses are scared of coming to the region is corruption. We tell them that there are many things we don't do in person anymore, like procurement and payment of taxes. They will deal with the computer. It really changes their perception [of Albania], and they want to learn more.”

Before the creation of the one-stop National Registration Center (NRC), Puçi says that foreign businesses also feared a long registration process could provide local officials opportunities to request bribes. Previously, registration required visits to multiple government offices and often took nearly 50 days. Now, the streamlined process takes only one day and is drawing kudos from foreign businesses like Colliers International, a real-estate firm that recently opened a branch in Tirana.

“This was by far our most hassle-free registration in 15 years of working in the region,” said Philip Bay, Managing Director of Colliers International Albania. “What strikes anyone walking into the [NRC] is the air of transparency and openness. There are no barriers, and you can't discount the importance of that.”